

~~TOP SECRET~~
SECURITY INFORMATION

THE ASSOCIATED STATES SITUATION

Not used

I. French position

- A. French note of 3 July is vaguely worded offer to "perfect" independence of states through further negotiations. Lack of clear cut policy statement reflects:
 - 1. Conflicting views in French cabinet;
 - 2. Desire to explore US attitude before taking decisive step.
- B. No concessions actually granted but implication that 1949 basic accords might be renegotiated before defeat of the Viet Minh is advance in French position.
- C. Appointment of Maurice Dejean as Commissioner General represents a clean break with Letourneau regime.
 - 1. Career diplomat, Far East expert, Ambassador in Tokyo.
- D. Reynaud, just prior to 3 July note, said parliamentary pressure might force France to negotiate with Ho Chi Minh with view to withdrawal.
 - 1. Pressure for solution is increasing;
 - 2. But Reynaud exaggerated it; in any case, no satisfactory negotiations with Ho are possible;
 - 3. Remarks apparently designed to ascertain what additional American commitments available.

II. Cambodian reaction

- A. Cambodian officials in Paris and Phnom Penh react coolly to French note:
- B. No word yet on king's reaction. His popularity, and unequivocal stand make abandonment of demands improbable.
 - 1. King insists France must give Cambodia status like that of Pakistan within Commonwealth. Would then negotiate treaty of friendship and alliance.

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- C. French have reinforced garrison in Cambodia with two battalions of African troops and armored units.
 - 1. Of 19 battalions in Cambodia, only five reliable, others composed wholly or partly of Cambodians;
 - 2. In unlikely event of an armed clash, king could count on support of Khmer Issarak (anti-French bands totalling some 2,000-3,000).
- D. French commander, General DeLanglade, urgently recommended in late June grant of full independence argued:
 - 1. King not bluffing;
 - 2. No policy of forcible repression feasible;
 - 3. Certain that king would show basic friendship for France once dealt with as equal.
- E. Viet Minh (approximately 1,000 regulars and 8,000 others in Cambodia) watching for clash and opportunities it would provide them.

III. Vietnamese reaction

- A. Reaction of Bao Dai and his premier is to read more into French note than actually expressed, hoping to force French hand.
- B. Vietnamese watching Cambodian situation, expect to share in any benefits won by Cambodia.

IV. Laotian situation

- A. Laos officially welcomes French declaration, but concerned about military security.

V. Military situation

- A. No large-scale action expected during rainy season.
- B. Next fall will probably bring renewed activity in Laos as well as against Tonkin delta.
- C. French report Chinese supply since January has increased from 500 tons to 800 tons a month.